3. Government agrees with the view that total replacement of income-tax by expeaditur tax is not practical. The Study Group's suggastiao to base incentives to sayings on the netting principle has already been partly accepted by Government while introducing the 'National Savings Scheme, 1987' through the Budget for 1987-88. This scheme which carries a return of 9 per cent has been introduced with effect from 1.4.1987. It provides for tax concessions on deposits with stipulaton that dissavings (withdrawals) will be subject to tax. Care will, however, be taken to ensure that there is no drop in the present level of national savings.

*349. *[Transferred to the 10th December,* 1987.]

Permission to private sector financialinstitutons and foreign banks to subscribein public sector bonds

*350. SHRI GURUDAS DAS GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Govern ment are considering to permit the private sector financial institutions and, fpre-gn banks to subscrible towards public sector bonds; and

(b) if so, what are the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHAVI): (a) There is no prohibition for any private sector financial institution and foreign banks to subscribe to the public sector bonds.

(b) Does not arise.

Crisis in the decentralised powerloom Industry

♦351. SHRI A. G. KULKARNI; Will the Minister of TEXTILES be pleased to state:

(a) whether the decentralised powerloom industry is facing a crisis due to increased yarn prices and reduced sales realisation and if so, whether Government propose to strengthen competitive capacity of the de-centralised sector *vis-a-vis* organised" sector; and

(b) whether Government also propose to And a solution to the profitable working of co-operative spinning mills as raw material prices and other input prices have risen tremendously; if so, what are the details in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND THE MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA): (a) The levels of weaving activity in the decentralised powerloom sector change from time to time depending upon the prices of yarn, offtake of cloth, availability of electric supply and economic decision of powerloom owners. The profitability of weaving operations in recent months has been affected because of rise in prices of cotton yarn and poor off-take of cloth due to erosion of purchasing power in rural and urban areas. This has resulted in reduction in levels of weaving activity in various areas. The available figures of yam deliveries to the powerloom sector, for the country as a whole, indicate that the production of cloth in the powerloom sector has been maintained during the first half of the current financial year. Since the announcement of the Textile Policy in June. 1985, the level of production of cloth by the decentralised sector has increased whereas the level of production in the organised sector has decreased marginally. For the purpose of policy, powerlooms in the organised mill sector and in the unorganised powerloom sector shall, as far as possible, be treated at par and allowed to compete on the basis of their inherent strengths and capabilities.

(b) During the five years' period from 1981-82 to 1985-86, the Co- f operative Spinning Mills showed some deterioration in their overall financial performance. The reasons were the steady increase in conversion cost due to rise in power cost and labour

wages, fluctuations in the prices of yarn and cotton. This resulted in erosion of the liquidity of Co-operative Spinning Mills. However, the National Co-operative Development Corporation during the year 1987 has introduced a margin money scheme for assisting the cooperative spinning mills towards meeting the margin money for working capital requirements of the mills. This is expected to help the Cooperative spinning mills in improving their liquidity. The Federations of Cooperative Spinning Mills at national and State levels have been organised to advice the cooperative spinning mills in improving their performance. The Federations fake active part in analysing the operational, marketing and raw material procurement problems of the member-mills, and advice them periodically. Also the performance of the cooperative spinning mills is monitored at the NCDC's level.

Amalgamation of sick units of NTC

•352. SHRI HARVENDRA SINGH HANSPAL: Will the Minister of TEXTILES be pleased to state:

(a) whether the NTC has chalked cut a programme for amalgamation of its sick units through modernisation;

(b) if so, what are the details of the sick units under the NTC;

(c) whether the interests of the workers will also be taken into account while amalgamating the sick units; and

(d) what are the details of the finan cial implications involved and to what extent the production of such units will improve as a result thereof?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND THE MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA): (a) NTC has been considering various steps including amalgamation of some of the units located in close proximity to improve the over-all performance. However, no final decision has been taken in this regard.

(b) to (d) Do not arise.

*353. *[Trensferred to the 1th December,* 1987.]

FERA violaious by Shri L. N. Thapar and Shri M. K. Jajodia

*354. SHRI SHANKER SINGH VAGHELA:

SHRI PRAMOD MAHAJAN:

Will the Minister of FINANCE be pleased to state:

(a) whether Shri L. N. Thapar and Shri M. K. Jajodia, who were involved in FERA violations, had agreed to repatriate about Rs. 14 crores and Rs. 3.5 crores respectively, in foreign exchange; and

(b) whether they have honoured their commitments due to which penal actions against them were postponed; if so, when and in what manner and if not, what penal actions have been taken against them?

THE MINISTER OF STATE IN THE DEPART WENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) Shri L. M. Thapar, in his letter of apology, had undertaken to co-operate in the adjudication proceedings, to be initiated under section 51 of FERA 1973, and not to repeat FERA violations in future. Shri M. K. Jajodia, Managing Director of M|S. Roger Enterprises Pvt. Ltd., New Delhi, had undertaken to repatriate Rs. 3.44 crores by the end of December. 1987.

(b) The penal action against Shri L. M. Thapar and his companies and Shri M. K. Jojodia and M/s. Roger Enterprises has .not been postponed. Show Cause Notices have been issued to them and the adjudication proceedings 'are in progress.

Implementation of the recommendations of Wage Board for industrial workers

*355. SHRI NARESH C. PUGLIA: Will the Minister of LABOUR be pleased to state:

(a) whether Government have appointed any Committee to ensure implemen-